

Service Date: July 18, 1997

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER Of The Application)	
Of Yellowstone Pipe Line Company To)	
Increase Rates And Charges For Its)	UTILITY DIVISION
Billings, Montana to Bozeman, Helena,)	DOCKET NO. D97.3.54
Great Falls, Missoula and Alkali Creek)	ORDER NO. 5990
Junction Montana Petroleum Products)	
Common Carrier Pipeline.)	

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DEFAULT ORDER GRANTING RATE INCREASE APPLICATION

BACKGROUND

1. On March 28, 1997, Yellowstone Pipe Line Company (Yellowstone or Applicant) filed an Application with the Montana Public Service Commission (PSC or Commission) pursuant to Sections 69-13-101, et seq., MCA, for an order authorizing an increase in rates and charges to shippers on its petroleum products common carrier pipeline from Billings, Montana to Bozeman, Helena, Great Falls, Missoula and Alkali Creek Junction, Montana. Currently, a short section of the pipeline west of Missoula is shut down due to the expiration of the right-of-way across the Flathead Indian Reservation. As a result, all volumes out of Billings are moving on intrastate tariffs. Yellowstone has scheduled a large increase in maintenance to hydrotest the pipeline between Helena and Missoula. The total requested increase will help offset some of those costs and is for \$1,164,000, which amounts to an increase of 10 percent in total annual revenues. Yellowstone has filed new tariffs denoted as Montana PSC No. 31 and Montana PSC No. 32 noting the increase in rates.

2. On April 4, 1997, the PSC issued a Notice of Application and Intervention Deadline, stating that persons with a direct interest in the Docket and desiring to intervene should file a Petition to Intervene with the PSC on or before May 4, 1997.

3. On May 5, 1997, The Burlington Northern and Santa Fe Railway Company

(BNSF) filed a Petition to Intervene. BNSF stated in its petition that the PSC's action on Yellowstone's application could have adverse financial impacts on BNSF.

4. On June 13, 1997, BNSF filed a Motion to Withdraw the Petition to Intervene. BNSF stated that since filing its petition, it has engaged in discussions with Yellowstone which have alleviated the concerns.

5. Having considered the Application and the documentation furnished by the Applicant in support of its Application and deeming itself fully advised in the premises, the PSC makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

6. Only one petition for intervention was received. BNSF filed a Petition to Intervene stating that this Application, if approved, would have adverse financial impacts on its operations. However, BNSF later engaged in discussions with the Applicant which alleviate the concerns. BNSF then filed a Motion to Withdraw their Petition to Intervene. The PSC accepts the motion. The two parties settled their differences, and there are no other protestants to the Application.

CONCLUSIONS OF LAW

1. The PSC has jurisdiction over parties and proceedings in this matter, pursuant to Title 69, Chapter 13, Montana Code Annotated.

ORDER

IT IS HEREBY ORDERED THAT:

1. The approved rates shall be effective for service rendered on and after July 15, 1997.

DONE IN OPEN SESSION at Helena, Montana on this 15th day of July, 1997, by a 5-0 vote.

BY THE ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman

NANCY McCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

DANNY OBERG, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.